

FISCAL NOTE

SB 2208 - HB 2204

January 26, 2000

SUMMARY OF BILL: Directs the Commissioner of Commerce and Insurance to appoint a committee to develop standardized forms for health care insurance claims and requires use of such forms when making claims.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$10,000 One-Time

Estimate assumes:

- One-time expenditures for committee travel expenses and to develop and distribute standardized forms to the insurance industry.
- That any standardized form that is developed will adhere to existing industry standards including the HCFA 1500 and UB92.
- There will be some initial expenditures by TennCare MCOs to develop systems utilizing the standard form but these costs will be offset in the long run by savings from a unified claims system.

Note: If a form were approved that did not adhere to existing industry standards which required major computer system changes by TennCare MCOs, the resulting cost impact could be significant and could result in an increase in capitation rates paid MCOs under the TennCare program.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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